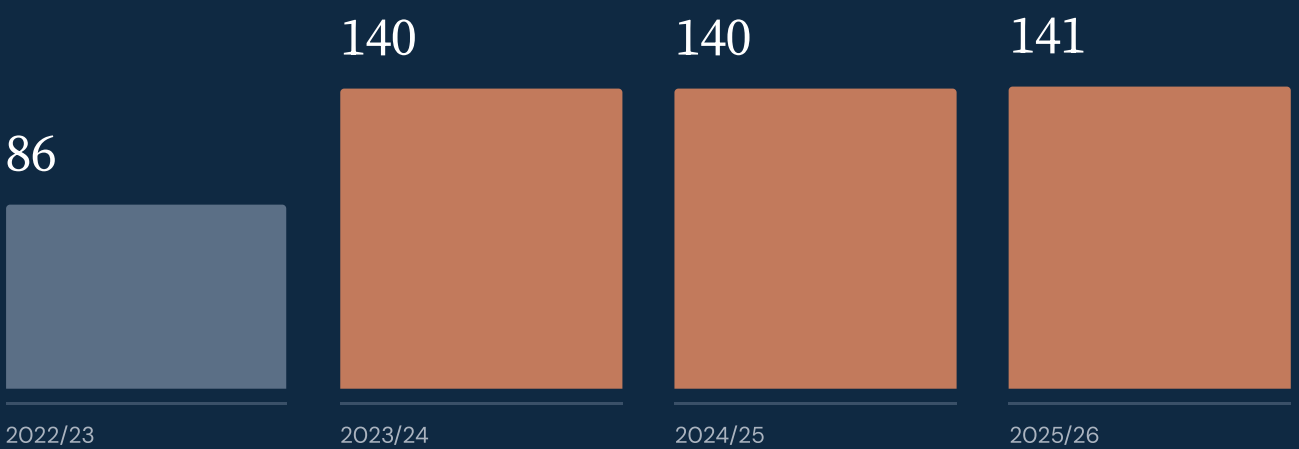
RESEARCH REPORT

Steadman.

Harder to get in, but still worth it

The graduate job market in the age of AI

Graduate jobs at Britain's big employers are harder to get because applications have flooded in: when applications jumped in 2023/24, vacancies rose. AI is not shown to be the main cause of the fall in jobs since 2022, and cutting graduate intake on the belief that AI makes juniors unnecessary isn't justified by the evidence.



Applications per graduate vacancy at Institute of Student Employers members, by recruitment year

By Ethan Teague · edited by David Boyle

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FROM THE AUTHOR

A note from Ethan

I joined Steadman in June 2026 for my placement year. I graduate in 2028, so the question in the report "Is AI making graduate jobs harder to get?" is extremely relevant to me.

Before most of the interviews, I wrote down my bet: AI was the main cause, and the weak economy was mostly cover. Then I tested it against the published data and 26 interviews with students, graduates, recruiters, employers, careers advisers and academics. The evidence leaned the other way, which surprised me.

This subject moves fast, and I expect some of these conclusions to change. I'll revisit the evidence every month and report what has changed. You can sign up for updates on the Steadman website.

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In brief

Britain's big graduate employers now get an average of 141 applications for every vacancy. Three years ago they got 86. Competition for each graduate job is the fiercest in the Institute of Student Employers' records, which go back to 1991.[1]

1. **A flood of applications, not a collapse in jobs.** In 2023/24, when applications to Institute of Student Employers (ISE) members jumped from 86 to 140 per vacancy, their graduate vacancies rose 4%.[2] Their graduate recruitment fell 8% in 2024/25 and rose 4% in 2025/26, even though 40% of the employers surveyed cut intake.[3] Hiring by the Times Top 100 graduate employers is still below its 2022 peak.[4] Graduates still earn more, on average (chapter 1).
2. **AI is not shown to be the main cause of the fall in jobs; its clearest effect is on applying.** Vacancies across the economy began falling six months before ChatGPT was released. The likeliest causes are a weaker economy, a correction after post-pandemic over-hiring and, from 2025, higher employment costs, though weaker demand may itself partly reflect AI. Software now writes a tailored application in seconds, recruiters told us candidates are harder to tell apart, and 77% of Institute of Student Employers members surveyed in 2025/26 are reviewing or redesigning how they recruit (chapters 2 and 3).[3]
3. **The junior job has moved up, so cutting it now risks a shortage around 2035.** In our interviews, routine tasks were going to the machine while checking and judgement stayed, and juniors reached them sooner. One early-careers lead, reading this year's briefs for the firm's entrants below graduate level, said: "not quite sure if I could do this… we're really setting the bar high". Today's graduates become the experienced staff of the 2030s. As a simple illustration, if intake falls 7% a year from 2025 to 2029, about one in eight fewer graduates are hired over those five years than with flat hiring, and when every firm cuts, hiring from rivals adds no one (chapters 4 and 5).

What we can show from published data: the timing and the flood of applications. What our interviews suggest: the change in junior work. What we could not establish: how much of the squeeze is AI. The strongest evidence that AI is already cutting junior jobs is American or not yet peer reviewed.

WHAT TO DO (CHAPTER 6)

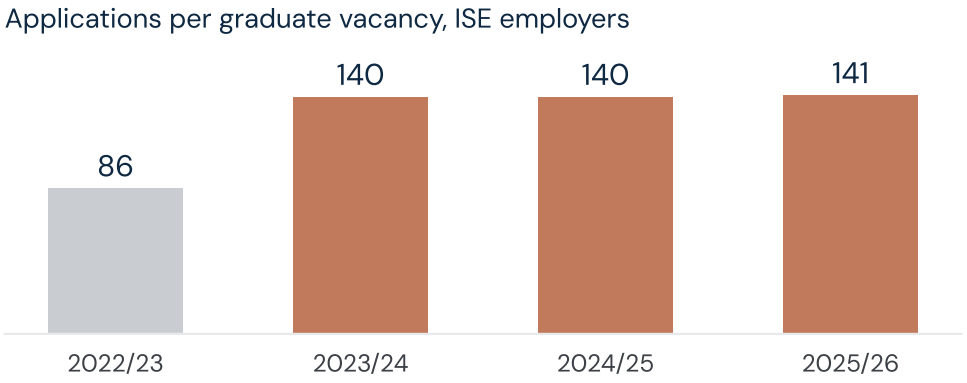
Employers: fix your screening before you cut intake. Recruiters told us written applications now separate candidates poorly, and cutting graduates now could shrink the pool of experienced people you can hire in six to ten years. **Graduates: get in front of a person.** Polish is free now; judgement, and real work you can explain, is what stands out. **Government: publish, every year, employment of 21- to 25-year-olds in the jobs most and least exposed to AI.** It wouldn't settle the cause on its own, but it is the figure the argument most lacks.

01

CHAPTER 1

Applications per place have surged, while hiring is below its peak

In the 2022/23 recruitment year, members of the Institute of Student Employers (ISE) received an average of 86 applications for each graduate vacancy. The next year they received 140, a jump of nearly two-thirds in a single year and the highest in the ISE's series, which began in 1991. It stayed at 140 the year after, and reached 141 in 2025/26.[1] In the jump year the number of graduate vacancies at those employers rose by 4%, so this was a flood of applications, not a shortage of jobs.[2]



Source: Institute of Student Employers, surveys 2024 and 2025, and release of 14th October 2026.

Graduates see it from their side too. Final-year students in 2024 made an average of 16 applications each.[5] More graduates, each sending more applications, means far more competition for each place.

Hiring is below its peak, but rising again

GRADUATES FELL, APPRENTICES ROSE

−8%	graduate hiring by ISE employers in 2024/25
+8%	apprentice hiring by ISE employers in the same year
+4%	both graduate and apprentice hiring, in 2025/26

Institute of Student Employers, release of 14th October 2026. Apprenticeships are a separate route, with about 96 applications per place.

Graduate hiring did fall from its post-pandemic high. High Fliers Research reports that recruitment by the Times Top 100 graduate employers, a list chosen by students' votes, fell 24.5% between 2022 and 2025.[4] Separately, vacancies across the whole economy fell by about 46% from their peak in the spring of 2022 to the early estimate for the spring of 2026. They were broadly flat from the spring of 2025 to the winter, then fell again.[6]

The latest figures point up. The ISE reported on 14th October that its members' graduate recruitment rose 4% in 2025/26, after an 8% fall the year before, and that they expect to hire 7% more graduates in 2026/27.[3]

A few employers account for most of both the growth and the forecast, and 40% of the employers surveyed cut graduate intake in 2025/26. The ISE's members and the Top 100 are different groups of employers, so the two measures don't have to agree. Competition for each place is at a record high in the ISE's series.

The graduate pool has grown

UK universities and colleges awarded 476,530 first degrees in 2024/25, up 13% from 421,280 in 2016/17.[7] This has increased the pool of potential applicants.

A degree still pays, on average

In England in 2024, working-age graduates had an unemployment rate of 3.1%, against 5.6% for people without a degree. Of graduates, 87.6% were in work, against 68.0% of non-graduates. Their median salary was £42,000, against £30,500.[8] These are averages across all working ages, not starting salaries, and they don't account for other differences between the two groups. They don't say the first job is easy to find. They do say that, on average, graduates still earn more and are more often in work.

02

CHAPTER 2

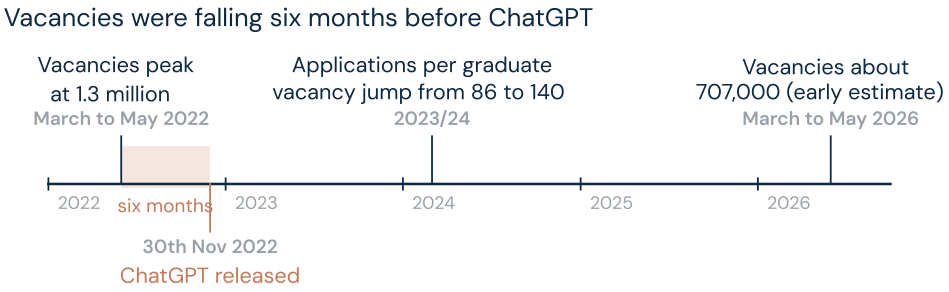
Don't assume AI is the main cause of the fall in jobs

Two pieces of evidence point away from AI as the main cause of the squeeze so far, and a third shows how much the picture differs by country. None of them measures AI's share. The evidence also cuts against a common view online.

WHAT PEOPLE SAY ONLINE

32%	of 1,004 public posts about the graduate job market that we read blamed AI for it
4%	blamed the economy

Our own reading of public online posts. Not a representative sample, and we couldn't verify who wrote them; only 66 could be placed in Britain. This shows what people posting believe, not what caused the squeeze.



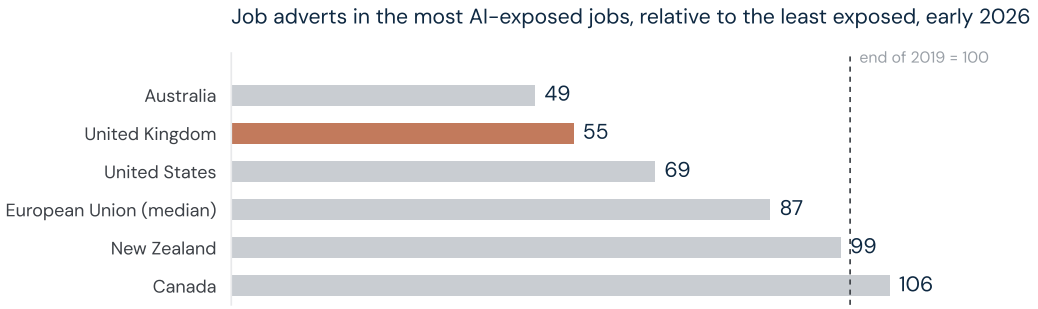
Sources: Office for National Statistics, vacancies (three-month averages, seasonally adjusted); OpenAI; Institute of Student Employers. Vacancies are across the whole economy, not graduate jobs only.

The timing is wrong for the start. Vacancies across the economy peaked in the three months to May 2022, at the top of the post-pandemic hiring boom, and are now far below that peak.[6] ChatGPT was released on 30th November 2022, six months after the fall began.[9] Whatever started the squeeze, it wasn't ChatGPT. The jump in applications, though, came in the first full recruitment year after ChatGPT's launch. AI appears to have contributed, alongside a slower market and employers widening who could apply; chapter 3 looks at how.

Firms using the tools mostly say AI hasn't changed their headcount. In a 2026 survey of British businesses, almost all of them small and medium-sized, more than nine in ten of those using AI who gave an answer said it had had no effect on their headcount over the previous year.[10]

The biggest graduate recruiters are mostly outside that survey, and what firms say about themselves is not proof. But it is not what you would hear if AI were already cutting jobs at scale in these firms.

Countries with the same tools fared very differently. The Organisation for Economic Co-operation and Development (OECD) tracks job adverts for the occupations most exposed to AI against adverts for those least exposed. Set the ratio between them to 100 at the end of 2019. By early 2026 it ranged from 49 in Australia to 106 in Canada.[11] All six economies had the same models over the same years, so the models alone can't explain why the results differ so much. The OECD's figures don't say what does; the state of each economy and how fast its firms took the tools up are both candidates.



Source: OECD Employment Outlook 2026, Figure 1.23. Ratio of adverts in the most to the least AI-exposed occupations, early 2026.

Britain's figure, 55, means adverts for its most exposed jobs fell by about 45% relative to its least exposed: the second-steepest fall of the six. That is one of the strongest signs in our evidence of an AI effect in Britain, and it's why we don't rule one out. But these are adverts, not jobs. The OECD notes that adverts in exposed occupations, which cluster in finance and professional services, are unusually sensitive to the economy. And Britain's steepest fall came in 2023, when interest rates peaked at 5.25% and ChatGPT spread, so the timing can't tell the two apart.[12]

Higher employment costs since 2025 have added to the pressure

Later changes have added to the pressure on entry-level hiring. In April 2025 employers' National Insurance rose from 13.8% to 15%, and the earnings threshold at which they start paying it fell from £9,100 to £5,000.[13] A lower threshold costs most, in proportion, on lower-paid jobs, which include many entry-level roles, though younger workers and apprentices are partly exempt. The minimum wage rose at the same time: the National Living Wage by 6.7%, and the rate for 18- to 20-year-olds by 16.3%.[14] The National Institute of Economic and Social Research puts the National Insurance change, with the higher minimum wage and the reform of employment rights, at about 7% on the real cost of an entry-level hire.[15] By the autumn of 2025, 44% of firms in the Bank of England's survey of decision-makers said their employment was lower than it would otherwise have been because of the National Insurance rise.[16]

The likeliest causes can't yet be told apart from AI

The most likely causes of the fall are a weaker economy, with vacancies falling from spring 2022 and interest rates rising to 5.25% by August 2023; the unwinding of post-pandemic over-hiring; and, from April 2025, the higher cost of employing people. We haven't measured their shares. Weak demand could itself be partly caused by AI, and so could some of the fall in technology hiring. We can't separate those. The rise in employment costs at least has a date, though its effect on graduate hiring hasn't been measured separately either.

Weigh the evidence that AI is already cutting jobs

Five findings point towards AI, and anyone deciding on graduate intake should weigh them.

- A study of British firms from King's College London finds that, between 2021 and 2025, firms highly exposed to AI cut employment by about 4.5% compared with less exposed firms, and junior employment by about 5.8%.[17] It measures jobs rather than adverts, which is what this question needs. It is a working paper, and a separate published commentary argues that changes in remote working may confound studies like it.
- In the United States, employment for 22- to 25-year-olds in the most exposed occupations is about 19% below where it would be had it kept pace with less exposed jobs.[18] The authors describe this as a pattern, not proof of cause.
- In the British Chambers of Commerce survey, among firms using AI systems built for their own business, 21% reported cutting staff because of AI, against 3% of those using off-the-shelf tools only. The comparison rests on 61 firms with such systems, excluding those who were unsure.[10]
- One employer we interviewed has cut early-careers hiring on what the early-careers lead there called a bet on how many fewer people the tools will need. The lead expects part of that to reverse as the tools fall short of the belief. It is the only first-hand account in our interviews of AI driving a hiring decision.
- In the autumn of 2025, 17% of employers expected AI to shrink their workforce over the following year, rising to 26% of large private firms.[19] Expectations aren't cuts, but they are where cuts start.

So the honest position is narrower than a headline. The squeeze began before ChatGPT's launch. AI is not shown to be the main cause. On the one like-for-like comparison we have, graduate adverts fell 13% in the year to November 2025, against about 8% for all adverts, a gap of about five points.[20] Graduate adverts fell further, but they did not fall alone. That comparison can't say how much of either fall was AI, and nor could we establish AI's share since 2023 any other way. We found no regular official figure for British employment split by how exposed each job is to AI; chapter 6 asks for one, as a start.

03

CHAPTER 3

AI's clearest effect is on getting in, so act there first

AI is changing how people compete for graduate jobs, whether or not it is also reducing their number. Here the evidence is most consistent: the employers' survey, the recruiters and the advisers we spoke to all say the same thing.

AI makes applying easy, so applications tell employers less

A tailored CV and covering letter used to take real effort. Now software can write them in seconds. One senior adviser to large employers told us how their son had set up software that applied for jobs automatically, writing a customised CV and letter for each one. Every application was tailored, and, in their words, none was "really telling me anything about him".

At one consultancy, the graduate recruiter told us applications had risen sharply, partly because AI lets candidates apply more widely. Paper qualifications no longer separate people either: the problem is finding the best candidates "when everybody ticks the boxes".

The employers' own survey says the same.[3]

EMPLOYERS ARE REBUILDING RECRUITMENT

77%	of ISE employers are reviewing or redesigning how they recruit
92%	report "suspected or confirmed student misconduct" in recruitment, up from 78% in 2024

Institute of Student Employers, release of 14th October 2026. Misconduct includes suspicion, and is the share of employers reporting it, not of applicants.

Few employers use AI in recruitment yet; those that do should test it

Employers are automating more slowly. Only 16% of ISE employers use AI in their own recruitment, and 52% have no plans to.[3] One large employer we spoke to now has software reject applications automatically, before a person sees them, where the CV doesn't match the role. The consultancy recruiter quoted above, facing the rise in applications, doesn't yet use AI to screen them at all. Firms are split, and none of those we spoke to could yet say what works.

Where machines do the screening, two risks follow. The first is that one assessment can count against a candidate many times. An audit led by Stanford University of one American screening vendor, covering more than four million applications made between 2018 and 2022, found that

the data from a candidate's online assessment is reused when they apply to another employer within 330 days. Where two jobs share a scoring model, the same result follows the candidate.[21] The second is bias,[22] and people tend to follow it.[23]

BIAS IN, BIAS OUT

85%	of tests in which language models screening CVs favoured names associated with white people over names associated with Black people; 9% went the other way
90%	roughly how often people making simulated hiring decisions went along with a severely biased AI recommendation

Two American experiments: Wilson and Caliskan, 2024; Wilson and others, 2025 (528 people online, not professional recruiters).

The audit covered applicants to one vendor's client employers, most of them based in North America, and included some applicants in Britain; the experiments were American. Neither gives a separate estimate for British graduate recruitment. They're reasons for any employer to test the tools it uses, not proof that those tools are biased.

Screens built on written answers risk rewarding automation

The recruiters we spoke to said written applications now separate candidates poorly. An employer still screening mainly on written answers risks selecting whoever is best at automating applications. The firms we spoke to that were redesigning were moving weight towards tasks and conversation, and putting people back into the process at fixed points rather than leaving them until the end. We didn't measure whether that works better.

04

CHAPTER 4

The junior job moved up, so rebuild it rather than cut it

The fear behind cutting graduate intake is that AI now does what juniors used to do. Our interviews say that is half right. The tasks are moving to the machine. In our interviews, the junior job changed with them rather than disappearing.

Fifteen of our 25 scored interviews supported the idea that junior work has moved up rather than gone away, ten gave a mixed picture, and none went against it.[24] A strategy consultant, formerly at a global firm, put it plainly: "a mechanical task that you would have asked an analyst to do… that's completely replaced now". The judgement above that task is not.

Employers are asking more of juniors

The clearest example came from an early-careers lead at a large employer. The lead had read this year's project briefs for the firm's youngest entrants, who join below graduate level, where you'd expect the bar to be lowest of all. The lead wasn't sure they could deliver them: "not quite sure if I could do this… we're really setting the bar high".

The old default for those roles, in the lead's words, was "the most boring, menial, straightforward, easy kind of work that probably no one else wants to do in the office". The new briefs ask for a contribution to "some of the bigger moving pieces that we have in flight".

A graduate-hiring lead at a professional-services firm, who wants to hold intake steady, sees the same thing from the other side. They think graduate programmes may shrink from three years to two, with harder steps between levels, and expect getting in to "get a bit harder" over the next two to three years. Whatever they decide about numbers, both see the bar going up.

Juniors can do more with AI; the wider job market pays for AI skills

An engineer told us AI lets graduates "produce something that is way beyond what they've learned how to do". It still needs a senior to correct it. That was the engineer's point: the junior is more capable, not redundant.

The market is already paying for it. PwC estimates that British job adverts asking for AI skills offered 34% more pay in 2025, up from 11% a year earlier.[25] That covers all workers, not only graduates, and PwC sells AI services. It does suggest employers will pay for people who are fluent with the tools. A computing degree is no guarantee, though. Among those who graduated in 2021/22, surveyed about 15 months later, computing was joint seventh of 22 subject areas for

full-time work, and the 8% of its graduates who reported being unemployed was the highest share of any subject.[26] A degree subject is not the same as fluency with AI, and most of that group were surveyed in 2023, so this says more about the degree than about AI skills.

Who gets trained in AI may already differ by school, though the best evidence we found measures teachers rather than pupils.[27]

BEFORE THE JOB MARKET

45%	of private-school teachers in England had received formal training in AI
21%	of state-school teachers had

Sutton Trust, Artificial advantage?, July 2025. This measures teachers, not pupils, and does not show an effect on hiring.

Protect the learning and coaching juniors used to get by default

The worry most often raised in our interviews was about learning. Seven people, from a headhunter to a banker, made the same point: you can only check a machine's work if you learned the craft yourself, and the tools are removing the routine tasks on which juniors used to learn it.

We think there's a second risk. Seniors coach juniors partly because handing work down saves them time. If a machine does that work faster, the reason to coach weakens. Coaching that used to happen as a by-product will need to be somebody's actual job.

05

CHAPTER 5

Cut intake now and you could run short around 2035

Today's mid-level managers were yesterday's graduates. If firms take fewer graduates now, there will be fewer people ready for mid-level jobs in six to ten years.

One firm can buy experience later; all firms together can't

For a single firm, cutting graduate intake can look sensible. If it later runs short of experienced people, it can hire them from a competitor. For the country as a whole, that only moves people around: hiring from each other doesn't add anyone. Hiring from abroad and retraining can add

people, but they take time and money. A business-school professor we interviewed put the question directly: if firms stop hiring juniors because software does the junior work, where do the mid-level and senior people come from?

No single employer owns that problem, which is why it is easy to ignore.

Cutting 7% a year for four years means about one in eight fewer people coming through

Here is a simple illustration, not a forecast. Call one year's graduate intake 100. Assume the people who join between 2025 and 2029 are the ones reaching mid-level around 2035, six to ten years later, and that the same share of each year's intake goes on to get there. Then any shortfall in those five years of hiring becomes the same shortfall in people ready for mid-level jobs.

If intake, starting from 100 in 2025…	Total hired, 2025 to 2029	Shortfall against flat hiring
stays flat	500	none
falls 3% a year	471	6%
falls 7% a year	435	13%
falls 12% a year	394	21%

Two things follow. In total, the numbers are smaller than the alarm suggests: cutting 7% a year for four years leaves about one in eight fewer people coming through, not half. But the shortfall is concentrated in a few years' intake, and it would show up six to ten years after the decisions that caused it.

Until October, the ISE's latest forecast for 2025/26 was a 7% fall. In the event, graduate recruitment rose 4%.[3] So the 7% path now looks pessimistic. It shows the size of the risk if firms were to cut on a belief about AI, not what is happening.[28]

Cost may limit how far AI replaces juniors

One development cuts against the gloom. BBC News reports that some of the firms that pushed hardest into AI agents (software that carries out a series of tasks on its own) are now rationing access to the most capable models, after running up large bills.[29] That's a sign that cost, not only capability, will limit how far the machine replaces junior people.

06

CHAPTER 6

What to do

Start with what a graduate is for

The actions below change what firms do. They rest on a change in how firms think about graduates. Our interviewees described routine junior tasks moving to AI, and juniors taking on more demanding work in their place (chapter 4). Picture the old job and a graduate looks like a cost AI can remove. Picture the new one and they don't.

CHANGE THE QUESTION

Stop seeing them as	Start seeing them as
the people who do the routine work	the people who check what the machine now does and add the judgement, once they have learned the craft (chapter 4)
what AI replaces	capable juniors who can do more with AI, and still need a senior to steer them (chapter 4)
people who pick up the craft by osmosis	people whose coaching is a named person's job (chapter 4)
the cheapest line to cut	the people who could be your mid-level managers around 2035 (chapter 5)

If you hire graduates

Fix screening before you cut anything. A screen built mainly around written applications risks rewarding whoever is best at automating them. Assume candidates use AI, and test what they can do with it. Move the weight from written answers to tasks and conversation, and put a person back in the process at fixed points rather than at the end.

Measure what your screen throws away. Take a sample of the applications your process rejected and have someone re-read them without knowing the outcome. It is a simple way to learn whether your screen is rejecting good people. None of the employers we spoke to described measuring it.

Test the tools. The Information Commissioner's Office already recommends that employers test AI recruitment tools for bias; a supplier's assurance is not a test.[31] And show reviewers the candidate before the machine's recommendation: in the experiment in chapter 3, people followed a severely biased recommendation about nine times in ten.[23]

Rebuild the junior job, and pay for the coaching. The routine work has gone to the machine; the checking, judgement and client contact are left, and juniors reach them earlier. That needs deliberate training, and coaching that sits in a named person's objectives and time. Left informal, it's at risk.

Don't cut intake on the assumption that AI makes graduates unnecessary. Nothing we found justifies that yet: the strongest evidence of AI taking junior jobs is American or not yet peer reviewed, and most AI-using firms in the British survey reported no effect of AI on their total headcount. At the one firm we spoke to that did cut on that belief, the early-careers lead called it a bet and expects part of it to reverse. One graduate-hiring lead said the idea of cutting "from your cheapest group" felt "crackers". If demand for experienced people stays strong, firms that keep hiring and training graduates could be better placed than those that cut.

If you're a graduate, or advising one

It's still worth it. Graduates earn more and are less likely to be out of work, and ISE employers forecast 7% more graduate hiring next year in total, though a few employers account for most of it. The odds for any single application are worse; the prize isn't.

Get noticed, and show you can meet a higher bar. Sending ever more applications is a race against everyone else using similar tools. Put the effort where a person is looking: a conversation, a task, a piece of work you can show and explain.

Show judgement, not polish. Polish is now free. One employer told us they want people who use AI "as a base" and add their own judgement above it.

Learn the craft, not only the tool. You can only check the machine's work if you know how the work is done.

Talk to people. Two of the people we interviewed said personal contacts still open doors. We didn't measure how much they matter.

If you're in government

Publish the number. We found no regular official figure for British employment split by how exposed each job is to AI, and the Office for National Statistics told an inquirer in April 2026 that it doesn't track AI adoption against graduate employment.[30] It holds the survey data and the job classifications to produce one: employment of 21- to 25-year-olds in the most exposed occupations against the least exposed, year by year. That one series would tell us more about the argument about AI and jobs than another survey of employers' opinions.

Make reused assessments visible. Candidates should know when the data from an assessment they took for one employer is being used by another.

Two policies don't follow from our evidence, though both are tempting. Banning AI in recruitment would target the tool and leave the real problems, untested screens and reused data, in place. And a subsidy for hiring graduates would treat one group, when the cost rise that hit entry-level hiring applies across lower-paid jobs generally.

METHOD

How we know

Two bets, written down early

This report was written by Ethan Teague, Insight and AI Analyst at Steadman, and edited by David Boyle. At the start of the project in June 2026, before most of the interviews, we each wrote down separately what we expected to find, so that neither could steer the other and neither could quietly change his mind later. Then we tested what we could. Richard Bowman of Audience Strategies, who read a draft, suggested the change of mindset that opens chapter 6.

Ethan bet that AI was the main thing making the graduate market harder, and that the weak economy was mostly cover. He called it his riskiest claim. On the evidence we gathered it leans the other way, mainly on timing and on what employers report (chapter 2), and we have said so. Parts of his bet held up:

- **Applications are rising.** Confirmed, and the clearest finding of all (chapter 1).
- **Graduates blame AI.** Partly, on weak evidence. About a third of the public posts we read did, against 4% blaming the economy (chapter 2), but we couldn't verify who wrote them, and our interviewees mostly didn't. Either way, a belief about the cause is not the cause.
- **Employers value AI skills but aren't hiring the people who have them.** Partly. The pay premium for AI skills has risen (chapter 4), but it covers all workers, not graduates, and we couldn't measure which graduates are fluent with AI. Degree subject, the nearest thing available, is a poor guide.
- **What employers say about AI and what they do have drifted apart.** Partly supported, in both directions.

David bet that the belief that AI makes juniors unnecessary is the market's most expensive mistake. He made five claims.

1. **The work moved up rather than vanished.** Supported: the strongest finding from the interviews (chapter 4).
2. **Firms can't see or cost an AI-capable graduate, so they cut numbers rather than raise the bar.** Unresolved. Some firms are raising the bar, but no employer described choosing between graduates and AI tools in the way the claim predicts.
3. **Getting in turns on who you know ahead of what you can do.** Only half tested. The part about the door being crowded and screens weakening is strongly supported (chapter 3). Whether contacts now matter more than ability we couldn't settle: we gathered too little evidence on how people actually got their jobs.
4. **The cuts hollow out the middle of organisations, not only the bottom.** Not tested. Our interviews didn't systematically ask where in organisations the cuts fell. One adviser raised it unprompted.

5. **The real driver is that no single firm owns the problem of training tomorrow's senior people.** Plausible, and backed by six of the 16 interviewees who discussed it, including several of the most experienced; two disagreed. But its cost lies in the future, so it can't yet be confirmed (chapter 5).

The evidence

- **Twenty-six interviews**, 25 of them scored, with students, recent graduates, employers, recruiters, careers advisers and academics in Britain and the United States, in 2026. We report all of them on Chatham House terms, whatever each person agreed at the time: we quote people by role only, and have generalised details that could identify them.
- **Published data** from official statistics, employer bodies and research, each sourced in the notes. We checked the published figures against their original sources in October 2026, and removed any we couldn't trace.
- **A reading of 1,004 public online posts** about the graduate job market, apparently by graduates and job-seekers. We couldn't verify who wrote them, and they are not a representative sample.

The limits

- Interviews show how something works, not how big it is. We use published data for market-wide figures; our interview counts, post counts and the 2035 sums are our own and labelled as such.
- Employers are thin in our sample. Only four interviewees held or directly supported decisions on graduate or intern hiring in Britain.
- The people we interviewed skewed white and upper middle class.
- The strongest evidence that AI is already costing young people jobs is American. British employer surveys point the other way, though firms may prefer to blame the economy.
- Much of the data is job adverts, which move faster than jobs and can mislead.
- The King's College London study in chapter 2 reached us after we had scored the interviews, so it informs what we say here but didn't shape the verdicts.

Sources and notes

1. Institute of Student Employers (ISE), Student Recruitment Surveys 2024 and 2025, and release of 14th October 2026. Average applications per graduate vacancy across responding ISE members: 86 in 2022/23, 140 in 2023/24 and 2024/25, 141 in 2025/26. Responding employers change from year to year.

2. ISE, Student Recruitment Survey 2024. Graduate vacancies at responding ISE members, 2023/24 against 2022/23.

3. ISE, "Graduate jobs stabilise, but AI use disrupts recruitment", 14th October 2026, reporting the 2025/26 recruitment year. Misconduct includes suspicion; it is the share of employers reporting it, not the share of applicants.

4. High Fliers Research, The Graduate Market in 2026.

5. High Fliers Research, The UK Graduate Careers Survey 2024, reported in The Times Top 100 Graduate Employers 2024–2025, p.41.

6. Office for National Statistics, Vacancies and jobs in the UK, August 2025 and June 2026 releases. Seasonally adjusted three-month averages: 1.3 million in March to May 2022 and an early estimate of 707,000 in March to May 2026.

7. Higher Education Statistics Agency (HESA), Table 36, first-degree qualifiers, 2016/17 and 2024/25.

8. Department for Education, Graduate labour market statistics, calendar year 2024. England, ages 16 to 64; graduates exclude postgraduates. Pay is the median for full-time employees. The comparison does not adjust for age, prior attainment or other characteristics.

9. OpenAI, "Introducing ChatGPT", 30th November 2022.

10. British Chambers of Commerce and University of Essex, Powering Productivity: AI and the Future of UK Work, March 2026. Of the respondents, 94% were small or medium-sized. No effect of AI on headcount: 95% of firms using off-the-shelf tools only and 77% of the 61 using bespoke systems, excluding those unsure.

11. OECD Employment Outlook 2026, Figure 1.23, Panel B. Online job adverts (Lightcast) in the most AI-exposed occupations as a ratio to the least exposed, four-quarter moving average, fourth quarter of 2019 = 100, read at the first quarter of 2026. "Six economies" counts the European Union as one.

12. Bank of England, Bank Rate history: 3.5% from 15th December 2022, rising to 5.25% on 3rd August 2023. The OECD's caution on cyclical sensitivity is in the same Employment Outlook chapter.

13. HM Treasury and HM Revenue and Customs, changes to employer National Insurance contributions from 6th April 2025.

14. UK Government, minimum wage rates for 2025, effective April 2025. Not every graduate is paid the minimum wage.

15. National Institute of Economic and Social Research, Economic Outlook, Winter 2026.

16. Bank of England, Decision Maker Panel, survey of August to October 2025, published November 2025. Share of firms; several responses were allowed.

17. Bouke Klein Teeselink, "Generative AI and Labor Market Outcomes: Evidence from the United Kingdom", working paper, King's College London, 2025, papers.ssrn.com/sol3/papers.cfm?abstract_id=5516798. Commentary: Pedro Serôdio, "How the WFH factor complicates the AI jobs story", Centre for British Progress, 4th June 2026. The commentary discusses the wider literature; it is not a replication.

18. Brynjolfsson, E., Chandar, B. and Chen, R., "Canaries in the Coal Mine?", Stanford Digital Economy Lab, revised August 2026. United States payroll data; working paper.

19. Chartered Institute of Personnel and Development, Labour Market Outlook, autumn 2025.

20. Indeed Hiring Lab, 2026 UK Jobs and Hiring Trends Report, 9th December 2025, data to 21st November 2025. Graduate postings down 13% on a year earlier, against roughly 8% for all postings. One platform and one year; adverts, not hires.

21. Bommasani, R. and others, 2026, "Algorithmic Monocultures in Hiring", arXiv 2605.27371, an audit led by Stanford University of one vendor (pymetrics), mainly North American employers: 4,197,168 applications across 1,746 positions at 156 employers, December 2018 to December 2022. What is reused is the data from the candidate's assessment games; each position's own model calculates the score, and shared models were uncommon.

22. Kyra Wilson and Aylin Caliskan, "Gender, Race, and Intersectional Bias in Resume Screening via Language Model Retrieval", Proceedings of the AAAI/ACM Conference on AI, Ethics, and Society, 2024, doi.org/10.1609/aies.v7i1.31748. An experiment with language models ranking CVs, not a study of real hiring decisions.

23. Kyra Wilson and others, "No Thoughts Just AI: Biased LLM Hiring Recommendations Alter Human Decision Making and Limit Human Autonomy", Proceedings of the AAAI/ACM Conference on AI, Ethics, and Society, 2025, doi.org/10.1609/aies.v8i3.36749. The participants were 528 people online in the United States, making simulated hiring decisions, not professional recruiters.

24. We held 26 interviews and scored 25 of them, with students, recent graduates, employers, recruiters and advisers. All 25 discussed this question. Several agreed after a prompt from the interviewer; in the two where the agreement was clearly led by the question, we scored it down. See "How we know".

25. PwC, UK AI Jobs Barometer 2026, UK analysis. Its classification of AI-skilled jobs is on p.14.

26. HESA, Graduate Outcomes 2021/22, open data, figure 10. UK, all providers, all qualification levels and modes, excluding graduates in significant interim study. Shares of graduates with known outcomes, not unemployment rates among the economically active. Computing: 66% in full-time employment, tied with geography, earth and environmental studies (social sciences), six subjects higher; 8% unemployed, against a next highest of 6%. First degrees only: 65% and 7%, joint highest with mathematical sciences and media.

27. Kevin Latham and Rebecca Montacute, Artificial advantage?, Sutton Trust, 16th July 2025. Teacher polling in England.

28. Our calculation. Intake is 100 in 2025; in the three falling rows it then falls by that row's annual rate in 2026, 2027, 2028 and 2029. Totals are rounded. The percentages hold for any starting number.

29. BBC News, "Will your job be replaced by AI? Here are the roles most affected", July 2026. The BBC does not name the firms or measure how widespread the rationing is.

30. Office for National Statistics, response to a Freedom of Information request, 17th April 2026, reference FOI-2026-3465.

31. Information Commissioner's Office, AI tools in recruitment: audit outcomes report, November 2024.